

Uniform Appraisal Standards for Federal Acquisition are available on the internet at <http://www.usdoj.gov/enrd/land-ack/>

Summary of
UNIFORM APPRAISAL STANDARDS
for
FEDERAL LAND ACQUISITION
02/91

- A. DETAILED APPRAISAL REPORT:** If an acquisition: 1) will cost \$25,000 or more (\$12,500 or more L & WCF assistance), or 2) involves purchase from another public agency or the exchange of real property, the project sponsor will apply these appraisal requirements.

The report on any individual property may vary depending upon the type of property under appraisal. Additional data may be required in the case of highly specialized properties. Items may be deleted as in the case of land valuation only. Generally, however, all items must be considered by the appraiser and included in the report unless otherwise requested and agreed to by the Service and omissions must be explained by narrative.

The text of the appraisal report shall be divided into four parts as outlined below:

PART I - Introduction

1. **TITLE PAGE:** This shall include: a) the name and street address of the property, b) the name of the individual making the report, and c) the effective date of the appraisal.
2. **TABLE OF CONTENTS.**
3. **LETTER OF TRANSMITTAL.**
4. **PHOTOGRAPHS.** Pictures shall show at least the front elevation of the major improvements, plus any unusual features. There should also be views of the abutting properties on either side and that property directly opposite. When a large number of buildings are involved, including duplicates, one picture may be used for each type. Except for the overall view, photographs may be bound as pages facing the discussion or description which the photograph concerns, no

footnotes needed. All graphic material shall include captions.

5. **STATEMENT OF LIMITING CONDITIONS AND ASSUMPTIONS.**
6. **REFERENCES.** If preferred, may be shown with applicable approach.

PART II - Factual Data

7. **PURPOSE OF THE APPRAISAL.** This shall include the reason for the appraisal, a definition of all values required and property rights appraised.
8. **LEGAL DESCRIPTION.** This description shall be so complete so as to properly identify the property appraised. If lengthy, it should be referenced and included in Part IV. If furnished by the Government and would require lengthy reproduction, incorporate by reference only (see D-1 for further discussion of legal description).
9. **AREA, CITY AND NEIGHBORHOOD DATA.** This data (mostly social and economic) should be kept to a minimum and should include only such information as directly affects the appraised property together with the appraiser's conclusions as to significant trends.
10. **PROPERTY DATA.**
 - a. **Site.** Describe the soil, topography, mineral deposits, easements, etc. A statement must be made concerning the existence or nonexistence of mineral deposits having a commercial value. In case of a partial taking, discuss access both before and after to remaining tract. Also discuss the detrimental and hazardous factors inherent to the location of the property.
 - b. **Improvements.** This description may be by narrative or schedule form and shall include dimensions, cubic and/or square foot measurements, and where appropriate, a statement of the method of measurement used in determining rentable areas such as full floor, multi-tenancy, etc.
 - c. **Equipment.** This shall be described by narrative or schedule form and shall include all items of equipment including a statement of the type and purpose of the equipment and its state of cannibalization. The current physical condition

and relative use and obsolescence shall be stated for each item or group appraised, and, whenever applicable, the repair or replacement requirements to bring the property to usable condition.

Any related personalty or equipment, such as tenant trade fixtures, which are not attached or considered part of the realty, shall be separately

inventoried. Where applicable, these detachable or individually owned items shall be separately inventoried.

- d. **History.** State briefly the purpose for which the improvements were designed, dates of original construction and major renovation and/or additions; include for privately owned property a ten-year record as to each parcel, of all sales and, if possible, offers to buy or sell, and recent lease(s). If no sale in the past ten year, include a report of the last sale.
- e. **Assessed Value and Annual Tax Load.** Include the current assessment and dollar amount of real estate taxes. If the property is not taxed, the appraiser shall estimate the assessment in case it is placed upon the tax roll, state the rate and give the dollar amount of the tax estimate.
- f. **Zoning.** Describe the zoning for subject and comparable properties (where Government owned, state what the zoning probably will be under private ownership), and if rezoning is imminent, discuss further details under Item 11 (See D-2 for further discussion on zoning).

PART III - Analyses and Conclusions

- 11. **ANALYSIS OF HIGHEST AND BEST USE.** The report shall state the highest and best use that can be made of the property (land and improvements and where applicable, machinery and equipment) for which there is a current market. The valuation shall be based on this use.
- 12. **LAND VALUE.** The appraiser's opinion of the value of the land shall be supported by confirmed sales of comparable, or nearly comparable lands having like optimum uses. Differences shall be weighed and explained to show how they indicate the value of the land being appraised.

13. **VALUE ESTIMATE BY COMPARATIVE (MARKET) APPROACH.** All comparable sales used shall be confirmed by the buyer, seller, broker or other person having knowledge of the price, terms and conditions of the sale. Each comparable shall be weighed and explained in relation to the subject property to indicate the reasoning behind the appraiser's final value estimate from this approach.
14. **VALUE ESTIMATE BY COST APPROACH, IF APPLICABLE.** This section shall be in the form of computative data, arranged in sequence, beginning with the reproduction or replacement cost, and shall state the source (book and page if a national service) of all figures used. The dollar amounts of physical deterioration and functional and economic obsolescence, or the omission of same, shall be explained in narrative form. this procedure may be omitted on improvements, both real and personal, for which only a salvage or scrap value is estimated.
15. **VALUE ESTIMATE BY INCOME APPROACH, IF APPLICABLE.** This shall include adequate factual data to support each figure and factor used and shall be arranged in detailed form to show at least: a) estimated gross economic rent or income; b) allowance for vacancy and credit losses; c) an itemized estimate of total expenses including reserves for replacements.
- Capitalization of net income shall be at the rate prevailing for this type of property and location. The capitalization technique, method and rate used shall be explained in narrative form supported by a statement of sources of rates and factors.
16. **INTERPRETATION AND CORRELATION OF ESTIMATES.** The appraiser shall interpret the foregoing estimates and shall state his reasons why one or more of the conclusions reached in items (13), (14), and (15) are indicative of the market value of the property.

17. **CERTIFICATION OF APPRAISER.**

- a. He/She has personally inspected the property.
- b. He/She has no present or contemplated interest in the property.
- c. That in his/her opinion the market value of the taking as of _____ is \$_____.
(Valuation Date)

(Signature)
Submitted)

(Date Report

PART IV - Exhibits and Addenda

- 18. **LOCATION MAP.** (Within the City or area).
- 19. **COMPARATIVE MAP DATA.** Show geographic location of the appraised property and the comparative parcels analyzed.
- 20. **DETAIL OF THE COMPARATIVE DATA.**
- 21. **PLOT PLAN.**
- 22. **FLOOR PLANS.** (When needed to explain the value estimate.
- 23. **OTHER PERTINENT EXHIBITS.**
- 24. **QUALIFICATIONS.** (Of all Appraisers and/or Technicians contributing to the report.

B. ABBREVIATED APPRAISAL REPORT: An abbreviated appraisal report, compiled by a qualified appraiser and adequately related to comparable sales, is acceptable for a parcel with a value estimate between \$5,000 and \$25,000. The abbreviated report should include:

1. A brief description of the subject property to include physical characteristics, present use, zoning, public utilities associated with the land, deed restrictions, and any other pertinent information.
2. A legal description of the real property to be acquired and a plat.
3. At least a 5-year history of conveyances (sales and transfers), including parties to the transactions, dates of purchase and amounts of consideration.
4. An analysis and statement of the property's highest and best use.
5. Supporting data, including two or three comparable real property sales, a brief analysis of those sales, and a map showing their locations relative to the land acquired.
6. The appraiser's certification and signature.
7. The data the value estimate applies.
8. A statement of the appraiser's experience and qualifications.

C. **FINDING OF VALUE:** Where a parcel has a value of less than \$5,000 and the expense of an appraisal would be disproportionate to its benefit, a written finding of value by a qualified appraiser will be acceptable for approval. This finding of value can be based on the individual's knowledge of land values, but should include a statement of the appraiser's experience and qualification, including a short description of the factors considered and the means by which a conclusion was reached. These statements should be sufficiently detailed so as to enable the State Liaison Officer to judge their respective merits.

D. **FURTHER CONSIDERATIONS:**

1. **Legal Description of the Property.** It is essential that the appraiser obtain an accurate legal description of the property rights to be appraised and that he then appraise the exact property rights described. The appraiser should be furnished with such an accurate legal description when he receives the appraisal assignment. If, for any reason, that is not done, the appraiser is responsible for obtaining an accurate legal description of the property rights to be appraised before endeavoring to make his appraisal. It should never be necessary for a client to be unable to adduce the testimony of the appraiser because he has not appraised the specific legal property rights involved.

The appraiser should verify the legal description both "on the ground" as the physical inspection of the property is made and by comparing it with City or County maps; aerial maps, as available in County or other governmental offices, and with records available in the recorder's, auditor's, assessor's, tax collector's or other appropriate City or County offices. If an error of significant importance is discovered, the appraiser should consult the person from whom the appraisal assignment was received before proceeding with the appraisal. If a minor error is discovered, which it is believed will not affect the completion of the assignment, the appraiser should make a note of explanation in the appraisal report, making reference to it in the legal description given in the assignment.

The rights the owner has must be determined whether such rights constitute a fee simple title, a life estate, an easement, leasehold or other property right. Easements, mineral rights, rights-of-way, or any exception in the description which limits the use of

the property or grants certain uses to others should be carefully

ascertained. it should be borne in mind that legal descriptions contained in letters seldom make any reference to easements or other exceptions. These items of information may have to be gained from interviews, inspection of the property, abstracts or certificates of title, title insurance policies or other documents related to the subject property.

2. **Zoning Regulations.** Zoning is a factor to be considered in evaluating property. Accordingly, if the property to be appraised is in a zoned area, recite the restrictions in the appraisal report, giving particular attention to the effect on salability of the property. A more profitable operation than the use of the property at the time of taking can be considered if the more profitable operation is one allowed by law to be carried out on the premises. However, if existing zoning restrictions preclude a more profitable use, ordinarily such use should not be considered in the evaluation. Thus, if there is a reasonable possibility that zoning classification will be changed, this possible should be considered in arriving at the proper value; but it should be considered only to the extent that the "possibility" would have affected the price which a willing buyer would have offered for the property just prior to the taking.
3. **Updating of Appraisals.** When appraisals have been made any substantial period in advance of the date of negotiations for purchase contracts or the filing of a petition requesting right of possession or a complaint or declaration of taking on condemnation proceedings, the appraisals must be carefully reviewed and brought up to date in order to reflect current market conditions. This is required, notwithstanding that it is incumbent upon the appraiser to recognize the general market value trends and carefully consider the value of the property if offered for sale over a reasonable period of time. Any change in the value estimate attributable to trending or updating should be fully supported by acceptable market evidence rather than by reference to a market index based on unidentified information.

For trial purposes, in order for the testimony of the appraiser to be accorded maximum weight by the trial tribunal, it is important that the appraisal reflects: 1) the value as of the date of taking, and 2) the

precise estate described in the complaint or any amendment thereof. That date is normally the date on which a declaration of taking is filed, or the date of possession if it preceded the date of filing of a declaration of taking. Where only a complaint has been

filed, without being accompanied by a declaration of taking, and possession has not been taken, the valuation is to be as of the date of trial and it is important that appraisals be updated accordingly.

4. **Evidence in Legal Proceedings.** The appraiser must bear in mind that he may be called upon, in condemnation or otherwise, to establish the validity and competence of his estimate. He must, therefore, familiarize himself with and be guided by basic rules of trial evidence so that his testimony will be admissible and of probative value. Since, as a witness, he must be prepared to offer convincing testimony, his report should contain an analysis of all factual data upon which his estimates are based.